

Summary of Fall 2020 SCBA Recommendations

Contents

Summary of Recommended Fall 2020 SCBA Adjustments	2
Breakdown of Fall 2020 SCBA Adjustments	2
3.1 New Profiles Recommended for Funding	2
New Profiles Requesting New Funding	3
New standalone Profiles Requesting Funding from Existing Composites	3
3.2 Scope Changes	4
Scope Change Increases Requesting New Funding	5
Scope Change Increases Requesting Funding From Existing Budget	5
3.3 Recosting	6
Recosting Increases Requesting New Funding	6
Recosting Increases Requesting Funding from Existing Approved Budget	7
Recosting Decreases - Funding Releases	7
3.4 Historical Adjustments	7
3.5 Funding Source Adjustments (Council)	7
3.6 Transfers in Excess of \$2 Million Between Profiles	8
3.7 Transfers from Capital to Operating	8
3.8 Transfers from Operating to Capital	8
3.9 Project Development and Delivery Model Adjustments	8
3.10 Municipal Stimulus Program Adjustments	8
New Profiles and Scope Changes to Existing Profiles (MSP)	9
Funding Releases with MSP Replacement Adjustments	10

Summary of Recommended Fall 2020 SCBA Adjustments

The following is a high level summary of the total impact to the 2019-2022 approved capital budget from the Detailed Fall 2020 SCBA Adjustment Report in Attachment 3.

No.	Budget Adjustment Type	Impact to 2019-2022 Capital Budget (\$millions)
3.1	New Profiles Recommended for Funding	\$1.3
3.2	Scope Changes	\$14.5
3.3	Recosting	<\$6.3>
3.4	Historical Adjustments	\$ -
3.5	Funding Source Adjustments (Council)	\$ -
3.6	Transfers in Excess of \$2 Million Between Profiles	\$ -
3.7	Transfers from Capital to Operating	<\$1.4>
3.8	Transfers from Operating to Capital	\$ -
3.9	Project Development and Delivery Model Adjustments	\$ -
3.10	Municipal Stimulus Program Adjustments	\$65.7
	Totals	\$73.8

Breakdown of Fall 2020 SCBA Adjustments

The following is a high level summary for each of the categories of the Fall 2020 SCBA shown in the Detailed Fall 2020 SCBA Adjustment Report in Attachment 3.

3.1 New Profiles Recommended for Funding

New profiles recommended for funding are categorized as profiles requesting new funding, and new standalone profiles requesting funding from existing composite profiles. The latter category includes profiles that are at Checkpoint 3 of the PDDM process and are seeking a transfer of delivery dollars from an existing approved composite profile.

New profiles recommended for funding will result in a net increase of \$1.3 million to the 2019-2022 Approved Capital Budget and have no impact on the corporate capital funding pool or the tax-levy. Attachment 4’s capital profiles include additional information for each project.

	Impact to 2019-2022 Capital Budget (\$millions)
Total Value of New Capital Profiles	\$39.9
Less: New Capital Profiles funded with transfers from existing approved budgets	<\$38.6>
Net Impact to the Approved 2019-2022 Capital Budget	\$1.3

New Profiles Requesting New Funding

Administration is recommending Council approve \$1.3 million in new funding for one new capital profile. The new profiles recommended for funding include:

3.1-1. 20-20-2024 - North East Pedestrian Bridge (\$4.4 million)

This new profile request is for the planning and design (Checkpoints 1 to 3) of the Northeast Edmonton/Strathcona County Pedestrian/Cyclist Footbridge over the North Saskatchewan River. Total funding required to advance to checkpoint 3 is \$4,400,500. Of this amount, \$2,923,000 is provided from existing Pay-As-You-Go funding transferred from currently approved capital profiles, \$133,000 is from existing partnership funding transferred from currently approved capital profiles, and the remaining \$1,344,500 is funded with new partnership funding from the River Valley Alliance and Strathcona County.

New standalone Profiles Requesting Funding from Existing Composites

The following capital profiles propose funding derived from the transfer of existing funding from approved composite capital profiles. They describe projects originally within the scope of the approved composite profiles that have completed a sufficient level of planning and design (reached Checkpoint 3) and are being created as a standalone profile in compliance with capital budget practices (\$2 million or greater for growth and \$5 million or greater for renewal projects).

Ref	Profile Number	Profile Name	Amount (\$millions)
3.1-1	20-10-9002	Fire Station No.3 Rehabilitation	\$7.0
3.1-2	20-10-9004	Fort Edmonton Park Rehabilitation	\$6.9
3.1-3	20-10-9003	Fire Station No.19 Rehabilitation	\$6.8
3.1-4	20-10-9005	Callingwood Arena Rehabilitation	\$6.6
3.1-5	20-10-9001	O'Keefe Maintenance Yard OH&S Improvements	\$3.3
3.1-6	20-30-9202	South Haven and Northern Lights Cemetery Expansion	\$3.0
3.1-7	20-60-1620	In-Car Video (EPS)	\$2.0
		Total	\$35.6

3.2 Scope Changes

Scope change adjustments are required when profiles have increased or decreased projected costs to accommodate a change in scope. Recommended scope changes are further categorized as follows:

- Scope change increases requesting new funding
- Scope change increases requesting funding be transferred from an existing approved budget

Scope changes recommended in the Fall 2020 SCBA will result in a net \$14.5 million increase to the 2019-2022 Approved Capital Budget and have no impact on the corporate capital funding pool or the tax-levy.

A breakdown of all recommended Scope change adjustments can be found in the Detailed Fall 2020 SCBA Adjustment Report in Attachment 3.

	Impact to 2019-2022 Capital Budget (\$millions)
Total Value of Scope Change Increases	\$15.4
Less: Scope Change Increases funded with transfers from existing approved budgets	<\$0.9>

Net Impact to Approved 2019-2022 Capital Budget	\$14.5
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Scope Change Increases Requesting New Funding

Scope changes recommended for new funding are as follows:

3.2-1. CM-20-0052 - Library Furniture and Equipment (\$10.4 million)

This change in scope is required for additional furniture and equipment expenditures related to Milner Library Fit Up, which is separate from the Milner Construction Project. These costs are to be funded through Pay As You Go Library, Partnership Funding and Other Provincial Grants. The EPL Library Board approved the funding for this project and this adjustment is to adjust the profile to the full budget.

3.2-2. 19-22-9003 - 105 Avenue Streetscape (\$4.0 million)

This change in scope is to fund sewer separation and low impact development drainage improvements between 109 Street and 116 Street. The \$4.0 million budget request is funded entirely with developer financing contributions from EPCOR.

3.2-3. 15-75-5071 - Queen Elizabeth Planetarium Renewal (\$0.05 million)

This change in scope is to include a washroom. The \$50,000 budget request is funded entirely by partnership contributions from the Telus World of Science.

3.2-4. CM-32-0000 - Open Space: Parks - Renewal (\$5,800)

This change in scope is to include the installation of a 4-way bouncing teeter within the Prince Charles Neighbourhood playground. The \$5,800 budget request is funded entirely by a memorial partner contribution received in 2020.

Scope Change Increases Requesting Funding From Existing Budget

Scope changes recommended to be funded with a transfer from an existing approved budget (and therefore have no impact to the City's overall capital budget) are as follows:

3.2-5. 20-40-9021 - NARP Recon - King Edward Park Alleys (\$0.9 million)

This change in scope is to add the EPCOR King Edward Park Alley Pilot to the existing King Edward Park Neighbourhood Renewal project. The \$933,000 budget request is funded with a transfer from existing capital profile "CM-25-0000 - Transportation: Neighbourhoods - Renewal".

3.2-6. CM-74-4100 - Downtown CRL (\$1.5 million)

This change in scope is to include \$1.5 million of work related to Downtown Stormwater Drainage Servicing to the currently approved Downtown CRL Capital Profile. This project will include delivery of a new section of storm sewer on 104 Street south of Jasper Avenue. No additional funding is required to deliver this project, as the

current profile has sufficient funds available due to the deferral of Jasper Avenue Avenue New Vision Phase 3.

3.3 Recosting

Recosting adjustments are required when an approved capital project is projected to be over or under budget. This can occur when tenders on capital projects are well over/under the budgeted projection. Recommended recosting adjustments are categorized as:

- Recosting increases requesting new funding
- Recosting increases requesting funding to be transferred from an existing approved budget
- Recosting decreases - funding released

Recosting changes recommended in the Fall 2020 SCBA will result in a net \$6.3 million decrease to the 2019-2022 Approved Capital Budget.

A breakdown of all recommended Recosting adjustments can be found in the Detailed Fall 2020 SCBA Adjustment Report in Attachment 3.

	Impact to 2019-2022 Capital Budget (\$millions)
Total Value of Recosting Increases	\$3.1
Less: Recosting Increases funded with transfers from existing approved budgets	<\$3.0>
Sub-total - Net value of Recosting Increases	\$0.1
Total Value of Recosting Budget Releases	<\$6.4>
Net Impact to Approved 2019-2022 Capital Budget	<\$6.3>

Recosting Increases Requesting New Funding

Recosting adjustments recommended for new funding are as follows:

3.3-1. 12-66-1454 - 91 St: 25 - 41 Ave SW (\$0.1 million)

This recosting adjustment is to complete landscaping on Ewing Trail and 41 Avenue SW. The landscaping was completed but has suffered damages due to drainage issues in boulevards. The total planned expenditure will be \$257,000 to complete this project (\$157,000 current approved funding plus \$100,000 in new funding). This \$100,000 budget request is funded with new Developer Arterial Roadway Assessment funding.

Recosting Increases Requesting Funding from Existing Approved Budget

Recosting adjustments requesting a transfer from an existing approved budget (and therefore have no impact to the City's overall capital budget) are as follows:

3.3-2. 20-24-0200 - Duggan Bridge Replacement (\$3.0 million)

This recosting adjustment is related to an updated estimate for construction on the replacement of the Duggan Bridge. The original budget of \$9.0 million was based on the preliminary design report estimate. This estimate has been updated based on anticipated tender values, resulting in a request for a budget increase of \$3.0 million. This increase is to be funded from profile CM-24-0000 Transportation: Bridges & Auxiliary Structures - Renewal.

Recosting Decreases - Funding Releases

Recosting adjustments that result in a net decrease to the City's approved capital budget are as follows:

3.3-3. CM-66-2721 - Snow Plow and Clearing (<\$4.0 million>)

This recosting adjustment is to release \$3,972,665 of funding from capital profile "CM-66-2721 - Snow Plow and Clearing" to the corporate pool. The scope of this profile was related to the Calcium Chloride program, which was paused by Council.

3.3-4. CM-61-3616 - Bus Safety & Security Enhancements (<\$2.4 million>)

This recosting adjustment is to release \$2.4 million of funding from capital profile "CM-61-3616 - Bus Safety & Security Enhancements" to the corporate pool. The profile is expected to be completed earlier than anticipated and under budget.

3.4 Historical Adjustments

This type of adjustment occurs when a change in a funding source in past years requires an adjustment to the overall budget of a profile. For example, changes in projected partnership funding or developer financing could occur throughout the lifetime of the capital profile, or the City may receive additional grant funding.

There are no Historical Adjustments recommended in the Fall 2020 SCBA.

3.5 Funding Source Adjustments (Council)

This type of adjustment is strictly for funding source adjustments that result in no change to the overall budget of a profile, however requires Council approval because they involve reserve funding or debt funding. Composite profiles are also included as part of this process. All sources of funding adjustments will result in an overall adjustment balance of \$0.

A breakdown of recommended Funding Source Adjustments (Council) can be found in the Detailed Fall 2020 SCBA Report in Attachment 3.

3.6 Transfers in Excess of \$2 Million Between Profiles

Approved profiles with transfers between them that exceed \$2 million need to be approved by City Council. The net result is an overall adjustment of \$0 to the 2019-2022 Approved Capital Budget. The majority of items in this category are related to realignment of budgets to match actual expenditures. Some transfers that are under \$2 million are also included within this category due to the type of funding source or additional transparency.

A breakdown of recommended Transfers in Excess of \$2 million Between Profiles can be found in the Detailed Fall 2020 SCBA Report in Attachment 3.

3.7 Transfers from Capital to Operating

This type of adjustment is to recognize the reallocation of capital expenditures to operating. There are \$1.4 million in capital expenditures being recommended to be transferred to operating, with no impact to the overall tax-levy.

A breakdown of recommended Transfers from Capital to Operating can be found in the Detailed Fall 2020 SCBA Report in Attachment 3.

3.8 Transfers from Operating to Capital

There are no Transfers from Operating to Capital recommended in the Fall 2020 SCBA.

3.9 Project Development and Delivery Model Adjustments

Approved by City Council at the April 25, 2017 meeting, Capital Project Governance Policy C591 implemented the Project Development and Delivery Model (PDDM) to ensure that all capital projects (infrastructure, fleet and equipment, information technology and land) follow a phased approach that includes formal checkpoint reviews as projects progress through their lifecycle (strategy, concept, design, build and operate). As the majority of projects approved in the 2015-2018 capital budget predate this policy, a number of profiles were advanced without the benefit of this process to define scope, schedule and budget. These adjustments allow for consistent measuring of all capital profiles in accordance with the PDDM model.

There are no PDDM Adjustments recommended in the Fall 2020 SCBA.

3.10 Municipal Stimulus Program Adjustments

On July 28, 2020, the Government of Alberta announced the Municipal Stimulus Program (MSP), providing additional capital infrastructure funding to municipalities. The City of Edmonton was allocated \$115.6 million from this program. On September 21, 2020, City Council approved allocation of the funding for \$65.7 million in new projects and \$49.9 million for projects that were previously approved in the capital budget but were being considered for reduction to address operating budget shortfalls. The new projects were in the categories of rural and industrial road upgrading, affordable housing, and open spaces. The projects being considered for reduction, but funded through MSP, were industrial neighbourhood rehabilitation overlay and arterial renewal projects. Funding these projects through MSP allowed for the release of operating contributions of \$49.9 million to the capital corporate pool. As discussed with Council on September 21, these original funding sources will remain unallocated within their respective reserves to offset future operating budget impacts of COVID-19 as required. Neighbourhood

renewal funding of \$17.0 million would remain unallocated within the Neighbourhood Renewal Reserve and pay-as-you-go funding of \$32.9 million previously allocated to arterial renewal would remain unallocated within the Pay-as-You-Go Capital Reserve.

The required adjustments to update the City's capital budget for these MSP funding allocations are included in Attachment 3.

	Impact to 2019-2022 Capital Budget (\$millions)
Total Value of New Municipal Stimulus Program Funding	\$115.6
Less: Corporate Pool Funding released and held to address COVID-19 operating budget shortfalls in 2021 and beyond.	<\$49.9>
Net Impact to Approved 2019-2022 Capital Budget	\$65.7

New Profiles and Scope Changes to Existing Profiles (MSP)

New profiles and scope changes to existing profiles due to Municipal Stimulus Program Funding are as follows:

3.10-1. CM-40-9001 - Rural and Industrial Road Upgrading (\$43.4 million)

Recognition of the Government of Alberta's Municipal Stimulus Program (MSP) funding for the paving of oil and gravel roads with associated localized roadway improvements in rural and industrial areas.

These new capital projects include upgrades in Mistatim, Southeast Industrial and Winterburn, as well as various other industrial areas, while the rural road upgrading would take place in various sections of the City.

3.10-2. 19-90-4100 - Affordable Housing Land Acquisition & Site Development (\$16.0 million)

Recognition of the Government of Alberta's Municipal Stimulus Program (MSP) funding for affordable housing. The project scope has two components - renewal and rehabilitation of existing buildings and new construction of modular housing units.

Renewal and Rehabilitation of Existing Buildings: This component includes approximately 26 affordable housing buildings, 1,467 units, over 118,000 SQ.M of building space that have been identified for renewal and rehabilitation. The proposed project scope includes building improvements such as the replacement of furnaces, hot water tanks, doors, windows, exterior decks, roofs and other structural components of the buildings.

New Construction of Modular Housing Units: The component will create approximately 50 units of below-market housing in a 4-storey building, on a site that is

pre-zoned. The City will retain ownership of the land and lease/sell the building to non-market housing providers for a nominal amount.

3.10-3. CM-32-0000 - Open Spaces: Parks - Renewal (\$6.3 million)

Recognition of the Government of Alberta's Municipal Stimulus Program (MSP) funding for neighbourhood park renewal, naturalization and tree canopy expansion.

This project allows for the renewal of neighbourhood park elements, including playgrounds, that will be prioritized based on poor asset condition as well as other community indicators such as socio-economic factors. This also includes naturalizing mowed sites, increased tree planting in parks, and expansion of the urban forest.

Funding Releases with MSP Replacement Adjustments

Funding releases that were subsequently re-funded with Municipal Stimulus Program funding are as follows:

3.10-4. CM-25-0000 - Transportation: Neighbourhoods - Renewal (\$17.0 million)

Change in funding through the Government of Alberta's Municipal Stimulus Program (MSP) funding for road renewal including repaving with concrete, sidewalk and structure spot repairs to address safety hazards.

The Industrial Neighbourhood Rehabilitation Overlay was originally budgeted and largely tax-funded within the Neighbourhood Renewal Program. This was one of the projects considered for reduction from the approved capital budget in response to the current fiscal environment and impacts of COVID-19.

The change in funding to MSP provides an opportunity to fund projects that were identified to be cut from the capital budget as a result of the ongoing financial challenges and impacts of COVID-19.

3.10-5. CM-22-0000 - Transportation: Goods Movement - Arterial Renewal (\$33.5 million)

Change in funding through the Government of Alberta's Municipal Stimulus Program (MSP) funding to address Edmonton's major road infrastructure needs via the renewal and rebuilding of roads, sidewalks, and streetlights.

The Arterial Renewal Program was originally budgeted and funded through the Municipal Sustainability Initiative (MSI) and Pay-As-You-Go. Also, this was one of the programs considered for reduction from the approved capital budget in response to the current fiscal environment and impacts of COVID-19.

The change in funding to MSP provides an opportunity to fund projects that were identified to be cut from the capital budget as a result of the ongoing financial challenges and impacts of COVID-19. Further, the release of the MSI funding would be used to replace Pay-As-You-Go funding of other capital budgets to achieve operating contribution savings.

Attachment #2

A breakdown of recommended Municipal Stimulus Program Funding Adjustments can be found in the Detailed Fall 2020 SCBA Adjustments Report in Attachment 3. New capital profiles recommended for funding with MSP funding can be found in Attachment 4.